## HARGROVE, SMELLEY & STRICKLAND

JOSEPH L. HARGROVE, JR. DAVID L. SMELLEY PAUL A. STRICKLAND GLENN L. LANGLEY JASON C. FALUDI

OF COUNSEL WILLIAM G. CONLY

(A Professional Law Corporation)
American Tower, Suite 600
401 Market Street
Shreveport, Louisiana 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS POST OFFICE BOX 59 SHREVEPORT, LOUISIANA 71161-0059 TELECHONE (318) 429-7200 TELECOPIER (318) 429-7201

June 23, 2004

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: <u>APPLICATION FOR PUBLIC HEARING.</u>

Hosston Formation, Reservoir A; and Cotton Valley Formation, Reservoir A; HOLLY FIELD, DeSoto Parish, Louisiana.

Dear Sir:

EL PASO PRODUCTION COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A; all in the Holly Field, DeSoto Parish, Louisiana:

- 1. To authorize Applicant to drill, designate and utilize an alternate unit well for HOSS RA SU1 and for CV RA SUBB at the location shown on attached plats.
- 2. To authorize Applicant to drill, designate and utilize two (2) additional alternate unit wells for HOSS RA SU22 and for CV RA SUE at the locations shown on attached plats.
- 3. To approve an exception to the well location provisions of Office of Conservation Order No. 88-D, effective February 1, 1975 (applicable to the Hosston Formation, Reservoir A), and Office of Conservation Order No. 88-E, effective August 1, 1975 (applicable to the Cotton Valley Formation, Reservoir A), for any of the above described wells, the location of which, as shown on the attached plats, does not comply with the well location provisions of said Order.
- 4. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the Hosston Formation, Reservoir A, and the Cotton Valley Formation, Reservoir A, underlying the units on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such units.
- 5. To permit the Operator of CV RA SUBB and of CV RA SUE to produce the allowables assigned to these units from either the unit well, any alternate unit well, or from any combination of such wells, at the option of the Operator.
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Hosston Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 88-D, effective February 1, 1975. The Cotton Valley Formation, Reservoir A, in the Holly Field, DeSoto Parish, Louisiana, was defined in Office of Conservation Order No. 88-E, effective August 1, 1975.

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Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 North Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and of the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Holly Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation

covering the application fee.

David L. Smelley

Attorney for El Paso Production Company

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. Lew Duff (w/encls.) Mr. Greg Clark (w/encls.) Mr. Louis Gilbert (w/encls.)

Interested Owners, Represented Parties

and Interested Parties (w/copy of plats only)







